

State Board of Finance

Minutes

Tuesday, October 18, 2016
2:00 p.m.

Governor's Small Conference Room
Capitol Building

Board members present: Tony Venhuizen, Office of the Governor; Teresa Bray, Office of the Secretary of State; Ann Holzhauser, Office of the Attorney General; Dennis Keith, Office of the State Auditor; Rich Sattgast, State Treasurer; Mike Mehlhaff, Office of School and Public Lands; Leah Svendsen, Bureau of Administration, and Jason Dilges, Commissioner of Bureau of Finance and Management. Guests included Scott Bollinger, Bureau of Administration, and Bob Mercer, Newspapers.

Call to order: Tony Venhuizen called the meeting to order at 2:01 pm.

Administrative Rules Public Hearing: The public hearing regarding the proposed administrative rules changes was held prior to the monthly meeting of the Board. The minutes for this section are documented separately.

Regarding the form and style recommendations from the Legislative Research Council on the rule changes, it is recommended that the Board of Finance consider amending 3-9-1 and 3-9-2, clarifying the authority to promulgate rules pursuant to chapter 1-26. The Board concurred that the Secretary of State's Office would take the lead in developing the proposed changes for presentation at the next board meeting.

Agenda: Rich Sattgast moved and Dennis Keith seconded to accept the agenda as presented. A voice vote was taken. The motion carried.

Minutes: Jason Dilges moved and Rich Sattgast seconded to approve the minutes from the meeting on September 20, 2016. A voice vote was taken. Motion carried.

State Transfers: Mike Mehlhaff moved and Dennis Keith seconded to approve the following state transfers. A roll call vote was taken and the motion carried unanimously.

- Department of Game, Fish and Parks
 - Michael Undlin
 - Jake R. Miller

Professional Recruitment: Rich Sattgast moved and Jason Dilges seconded to approve the following professional recruitments. A roll call vote was taken and the motion carried unanimously.

- Department of Game, Fish and Parks
 - Melinda Nelson
- Governor's Office of Economic Development
 - Scott Stern
- Department of Revenue
 - Morgan Gruebele
- South Dakota State University
 - Lia Hager
 - Srinivas Janaswamy
 - Cynde Perry
 - Anamika Prasad
- University of South Dakota
 - Aaron Vannoy
 - Ali Dag
 - Leah Seurer

NOTE: *This meeting is being held in a physically accessible place. Individuals needing assistance, pursuant to the Americans with Disabilities Act, should contact the Secretary of State's Office at (605) 773.3537 in advance of the meeting to make any necessary arrangements.*

State Hosting Reimbursement Request – SDCL 3-9-2.1: A motion was made by Leah Svendsen and seconded by Rich Sattgast to approve the following State Hosting Reimbursement Requests. A roll call vote was taken and the motion carried unanimously.

- Department of Tourism
 - Katlyn Richter
 - James Hagen
 - Cole Irwin
 - Wanda Goodman
 - Austin Kaus
- Governor's Office of Economic Development
 - Aaron Schiebe
- Department of Tribal Relations
 - Kyle Chase

Home Station Per Diem Reimbursement Request – SDCL 3-9-2.2: A motion was made by Jason Dilges and seconded by Mike Mehlhaff to approve the following Home Station Per Diem Reimbursement Requests. A roll call vote was taken and the motion carried unanimously.

- South Dakota Retirement
 - SDRS Board of Trustees quarterly board meeting, September 7, 2016
- South Dakota Board of Regents-South Dakota School of Mines & Technology
 - Leadership Academy, September 6, 12, 13, and 14, 2016
- Department of Game, Fish and Parks
 - Chad Switzer for Wildlife Staff meeting on September 21, 2016
- Governor's Office of Economic Development
 - All staff meeting, October 12, 2016

Debt Write Off Requests: Debt write off requests were received from Northern State University in the amount of \$119,497.97 and the Secretary of State in the amount of \$21,500.00.

A discussion was held regarding the procedures for these requests. Scott Bollinger confirmed that no Board of Regents requests have been referred to the Obligation Recovery Center (OBC) as of this date. Jason Dilges stated that the Board of Regents has not signed the memorandum of understanding for working with the OBC. Procedures for this process need to be defined. Jason Dilges moved that the write off requests be deferred until next month to give time to CGI, the debt collection agency, to analyze the requests and determine whether they are collectible. In addition it was moved that procedures would be developed for presentation and discussion at the next meeting. The motion was seconded by Rich Sattgast. A roll call vote was taken and the motion carried unanimously.

Action Item: A discussion was held regarding the purpose of the hardship rule and seeking approval for lodging expenses over state rates after the fact. It was noted that there is a growing number of requests and that it does not appear agencies are following the requirement for prior approval. A substitute motion was made by Mike Mehlhaff and seconded by Rich Sattgast to approve the following action item requests.

- Request from Department of Agriculture for over state rate lodging for David Skaggs for meeting regarding the growing of grain that can be used for jet fuel/oil from July 20-23, 2016.
- Request from Department of Public Safety for over state rate lodging for Shawnie Rechtenbaugh for the PSAP for the NextGen 911 project in Madison on August 30 and 31, 2016.

The motion also included the deferral of the following requests to the next meeting and the request for the agencies to attend the meeting and explain the procedures they took in seeking prior approval.

- Request from South Dakota Board of Regents for over state rate lodging for Mary Berry, Kevin Kephart, Nathan Lukkes, Mark Hawkes and Mel Ustad for the South Dakota Board of Regents Research Affairs Council meeting in Spearfish from July 27-28, 2016.
- Request from Department of Tourism for over state rate lodging for Kirk Hulstein for the annual TTRA conference in Rapid City from September 20-23, 2016.

A roll call vote was taken and the motion carried unanimously.

Adjournment: Jason Dilges moved and Leah Svendsen seconded to adjourn the meeting. The meeting was adjourned at 2:26 p.m.

Shantel Krebs, Secretary of State